

THE TOLEDO TRUST COMPANY

TOLEDO, OHIO 43603

12677

RECORDATION NO. _____ Filed 1426

November 4, 1980

DEC 29 1980 -2 40 PM

INTERSTATE COMMERCE COMMISSION

Secretary of the Interstate
Commerce Commission
Washington D. C. 20423

RE: Railroad Car Lien

Dear Sir:

Please find enclosed, three executed Security Agreements, an original and two signed copies, in which H. Clarke Lockart and Glenda A. Lockart (Mortgagors) have granted to The Toledo Trust Company (Mortgagee) a first lien on a 100-ton truck covered hopper railcar bearing identifying marks RRRX MILW- , AAR Mechanical Designation "LO".
101957

The address of H. Clarke Lockart and Glenda A. Lockart is 36172 Old Homestead Drive, Farmington, Michigan 48018. The address of The Toledo Trust Company is 245 Summit St., Toledo, Ohio 43603.

Payment of the \$50.00 fee is also enclosed. If additional information is desired, please contact the undersigned.

Very truly yours, \


Robert A. Michaels

Commercial Loan Representative

RAM/mzg

Enclosures



A Subsidiary of Toledo Trustcorp, Inc.

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SECURITY AGREEMENT

INTERSTATE COMMERCE COMMISSION

H. Clarke Lockart and Glenda A. Lockart (hereinafter referred to as "Debtors") and The Toledo Trust Company, Toledo, Ohio (hereinafter referred to as "Secured Party") do hereby execute this Agreement this 6 day of November, 1980, at Toledo, Ohio.

ARTICLE I. DEFINITIONS

For purposes of this Agreement, the following terms shall have the meanings assigned to them below:

- A. Railroad Car. "Railroad Car" means the 100-ton truck covered hopper railcar with identifying marks RRRX MILW-101-957 AAR Mechanical Designation "LO" now owned or hereafter acquired by Debtors together with all of its parts, accessories, attachments and additions thereto and substitutions thereafter.
- B. Proceeds. "Proceeds" means whatever Debtors receive upon the sale, exchange, or other disposition of the Railroad Car, or the proceeds thereof, whether cash or non-cash in nature.
- C. Collateral. "Collateral" means any and all property of Debtors in which Secured Party by this Agreement now or hereafter acquires a security interest.
- D. Indebtedness. "Indebtedness" means and includes the following:
- (i) the sum of \$35,000.00 advanced or to be advanced to Debtors by Secured Party, together with interest thereon, as evidenced by a promissory note dated 5 November, 1980.
 - (ii) Any and all other loans, advances, and/or credit extensions, together with interest thereon, heretofore or hereafter made to Debtors by Secured Party.
 - (iii) Any and all advances, together with interest thereon, made by Secured Party for taxes levied, insurance, repairs to, and/or maintenance of the Collateral.
 - (iv) Any and all costs and expenses, including reasonable attorneys' fees, incurred in the collection of the above described obligations of Debtors.
- E. Uniform Commercial Code. "Uniform Commercial Code" means Chapters 1301 through 1309 of the Ohio Revised Code.
- F. Other Terms. Except as otherwise provided herein, all other terms shall have the meaning assigned to them in the Uniform Commercial Code.

ARTICLE II. GRANTING OF SECURITY INTEREST

In consideration of Secured Party making a \$35,000.00 loan to Debtors, and other good and valuable consideration, Debtors hereby grant to Secured Party a security interest in the Railroad Car described above, whether now owned or hereafter acquired, to secure payment of the indebtedness.

ARTICLE III. WARRANTIES, COVENANTS, AND AGREEMENTS

Debtors warrant, covenant, and agree as follows:

- A. At the time any Collateral becomes subject to a security interest in favor of Secured Party, Debtors shall be deemed to have warranted that (i) it is the lawful owner of such Collateral and has the right and authority to subject the same to a security interest in Secured Party; and (ii) the Collateral is not subject to any security interest other than that in favor of Secured Party.
- B. Debtors will do all acts and things, and will execute all writings requested by Secured Party to establish, maintain, and continue perfected the security interest of Secured Party in the Collateral, and Debtors will pay the cost of filing said writings in all public places wherever filing is deemed necessary or desirable by Secured Party.
- C. Without the written consent of Secured Party, Debtors will not permit any adverse financing statement covering the Collateral to be on file in any public office.
- D. Debtors will keep the Collateral free at all times from any and all liens, security interests, or encumbrances other than those in favor of Secured Party. Debtors will not, without the prior written consent of Secured Party, sell or lease, or permit or suffer to be sold or leased, all or any part of the Collateral.
- E. Secured Party or its agents may enter upon any and all premises where the Collateral is kept or might be located, for the purpose of inspecting the Collateral.
- F. Debtors will pay promptly and within the time that they may be paid without interest or penalty, all taxes, assessments, and similar imposts and charges which are now, or hereafter during the effective period of this Agreement may become a lien, charge or encumbrance upon any of the Collateral except to the extent contested in good faith. If Debtors fail to pay any such taxes, assessments, or other charges as they become due, Secured Party shall have the option to do so and Debtors agree to repay, with interest at the rate of 15 % per annum, all amounts so expended by Secured Party.
- G. Debtors and any lessee of the Railroad Car will keep it in as good condition as at present, reasonable wear and tear from normal use excepted. Debtors have and will maintain at all times during the effective period of this Agreement with respect to the Railroad Car, insurance against fire and other risks customarily insured against by persons owning railroad cars, in such amounts, containing such terms from such companies as may be satisfactory to Secured Party, payable to Secured Party as its interest may appear, and Debtors will deliver to Secured Party evidence satisfactory to Secured Party that such insurance has been so procured and made payable to Secured Party. If Debtors fail to maintain satisfactory insurance, Secured Party shall have the option to do so, and Debtors agree to repay, with interest at the rate of 15 % per annum all amounts so expended by Secured Party.
- H. Debtors shall promptly advise Secured Party in writing of any substantial change in the nature, character or value of any of the Collateral.

ARTICLE IV. DEFAULTS

The occurrence of any of the following events shall constitute a default by Debtors under this Agreement:

- A. The failure of Debtors to pay any of the Indebtedness when due whether by acceleration or otherwise.
- B. The failure of Debtors to comply with any of the terms, provisions, warranties, or covenants of this Agreement, of any promissory note evidencing any of the Indebtedness, the Loan Agreement, or any other agreement between Debtors and Secured Party.

- C. If Debtors (i) become insolvent or bankrupt, (ii) make an assignment for the benefit of creditors, or (iii) consent to the appointment of a trustee or receiver.
- D. If a trustee or receiver is appointed for all, or a substantial part of, the properties of Debtors without the consent of Debtors and is not discharged within 30 days.
- E. If any bankruptcy proceedings are instituted against Debtors and which proceedings remain undismissed for 30 days.

ARTICLE V. REMEDIES


Upon the occurrence of any one or more of the events of default as set forth in ARTICLE IV of the Agreement, Secured Party may, at its option, declare all the Indebtedness immediately due and payable, and Secured Party shall have the remedies listed below:

- A. Debtors shall, at the request of Secured Party, advise it of the location of the Collateral as well as the names of any lessees.
- B. Secured Party shall have the right to sell, lease, or otherwise dispose of the Collateral in either a public or private proceeding. Debtors agree to reimburse Secured Party for all expenses, including reasonable attorneys' fees and legal expenses, incurred by Secured Party in seeking to collect the Indebtedness or in pursuing any of its rights or remedies hereunder.
- C. Secured Party shall have all rights and remedies available to a secured party under the provisions of the Uniform Commercial Code and Regulations of the Interstate Commerce Commission, and Secured Party shall have all other rights and remedies provided by law for collection of the Indebtedness.

ARTICLE VI. MISCELLANEOUS PROVISIONS

Debtor and Secured Party further agree as follows:

- A. Any and all notices, statements, requests and/or other writings to Debtors shall be deemed to have been given or made hereunder whenever a writing to that effect shall have been delivered to them as of the close of business on the next business day following the day such writing shall have been deposited in the United States mail to the Debtors at 36172 Old Homestead, Farmington, Michigan 48018, irrespective of whether the writing is actually received by Debtors. No other method of giving notice to Debtors is hereby precluded. Every notice or writing required to be given to Secured Party pursuant to this Agreement shall be delivered in writing by mail, messenger, or otherwise to a commercial loan officer of Secured Party at 245 Summit Street, Toledo, Ohio 43603.
- B. This Agreement shall be construed in accordance with and governed by the laws of the State of Ohio.
- C. This Agreement shall be binding upon Debtors, their respective heirs and assigns, and shall be binding upon and shall inure to the benefit of Secured Party and its respective successors and assigns.
- D. This Agreement shall be altered or modified only by written agreement signed by both Debtor and Secured Party.
- E. This Agreement shall be terminated only by filing of Termination Statements in accordance with the applicable provisions of the Uniform Commercial Code and Regulations of the Interstate Commerce Commission.


H. Clarke Lockart

Glenda A. Lockart
Glenda A. Lockart

THE TOLEDO TRUST COMPANY

By Robert C. Smith

This 6th day of November, 1980, before me a Notary Public in and for said County, personally appeared the above named H. Clarke Lockart who acknowledged that he did sign the foregoing instrument and that the same is his free act and deed.

Judy K Anderson
Notary Public

This 16th day of November, 1980, before me a Notary Public in and for said County, personally appeared the above named Glenda A. Lockart, who acknowledged that she did sign the foregoing instrument and that the same is her free act and deed.

Judy K. Anderson
Notary Public

Before me, a notary public in and for said County, personally appeared Robert A. Michaels of the said The Toledo Trust Company, who acknowledged that he did sign said instrument on behalf of said corporation and by authority of its Board of Directors; and that said instrument is the voluntary act of the said Robert A. Michaels, and the voluntary act of said corporation.

Maurine J. Hassen
Notary Public

MAURINE GLASSER
Notary Public, State of Ohio
My Commission Expires Aug. 30, 1984